



INSPECTION REPORT: KENSINGTON GOLD MINE

Tongass National Forest Minerals Group
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Date of Inspection: Tuesday February 19, 2019
Date of Report: Tuesday March 5, 2019
USDA Forest Service Inspector: Richard Dudek

Ranger District: Juneau Ranger District

Weather Conditions: Cloudy with a mix of snow and rain. Temperature: Mid 30’s °F.

Exploration in accordance with operating plan	Not Applicable
Timber removal following timber sale contract	Not Applicable
BMPs for erosion control	Satisfactory
Water Quality BMPs	Satisfactory
Public safety & fire prevention	Satisfactory
Reclamation work adequate and timely	Satisfactory
Roads maintenance adequate and current	Satisfactory
Tails placement in accordance with plan	Satisfactory
Waste Rock placement in compliance	Satisfactory
Company supervision of operation	Satisfactory
Operating in a clean and orderly manner	Satisfactory

Any conditions noted as UNSATISFACTORY will require follow up action by the Mine Inspector and a written memorandum to the operator, outlining the necessary work.

NEW REMARKS

Coeur Alaska provided transportation (crew boat) to and from site.

Kevin Eppers (Sr. Environmental Engineer, Coeur Alaska) accompanied Richard Dudek (Geologist, USFS) Shannon Kelly (ADNR).

This inspection included the Access roads, Comet Development Pile, Comet Water Treatment Plant (CTWP), Sherman Creek Outfall, Kensington mill area, Pit 4, the TTF area, and the fuel depot.

ACTION ITEMS:

- **No new action items to report.**

NOTEWORTHY ITEMS

- **This spring Coeur Alaska plans to construct a ramp from the Jualin adit (Photo 1) to the mill.**

ACCESS ROADS

During the inspection, the access roads were in good condition. Coeur Alaska Surface Operations were plowing the access roads and placing gravel down for better traction (2016 BMP Plan; page C-53).





COMET DEVELOPMENT PILE

Currently, no waste rock is being deposited at this location (Photos 2).

COMET WATER TREATMENT PLANT (CWTP)

On 2/19/2019, the CWTP was treating 1500 gallons per minute (gpm). Pond-1 (Photo 3) was receiving mine site water, and Coeur Alaska personnel recently re-installed silt curtains in the pond. Pond-2 (Photo 4) was receiving some overflow water from Pond-1, and backwash from the CWTP.

White material was not observed on the test rock used for monitoring the precipitation of white material from treated mine site water (Photo 5).

SHERMAN CREEK OUTFALL

White material was observed in Sherman Creek Outfall 001 (Photo 6).

KENSINGTON MILL AREA

The new 4.0-megawatt generators (Photo 7) are online and supplying power to the mine site. This summer, Coeur Alaska plans to remove the old generators from site (Photo 8).

Good housekeeping practices were observed inside the assay laboratory (Photo 9) (Appendix 4g BMP Plan; Table 4-1).

PIT 4

Waste rock from the Kensington development pile is being relocated to this location (Photos 10-11). The purpose for this was to help reduce the high volume of traffic around the mill area when a contractor is on site removing waste rock.

TAILINGS TREATMENT FACILITY (TTF) AREA

The TTF's recorded water level on 2/19/2019 was 705.9 feet.

The tailings barge is now depositing in the north-west area of the TTF (Photo 12).

The TTF water treatment plant's net treatment was 1400-gpm. To help prevent clogging of the reverse osmosis (RO) filters from silts and algae, Coeur Alaska began using a micro-filtration system (Photo 13) as a pre-filter prior to the RO treatment (Photo 14). The micro-filter is able to filter influent water at rates of 600-800 gpm. At the time of the inspection, the micro-filtration system and the RO system were both treating 600-gpm. The water withdrawal rate from upper Slate Lake was 240 gpm. At the time of the inspection, the water treatment plant was tidy and in order (Photos 15).

The northern TTF staging area was covered in snow and ice.

THE FUEL DEPOT

The fuel depot was tidy and in order (Photos 16-17). No fuel spills or leaks observed in the fuel depot and on the refueling pad.



FOLLOW UP ITEMS

- Inspect the access roads.
- Inspect the Comet water treatment plant and settling ponds.
- Inspect for white material in Sherman Creek.
- Inspect the TTF area.

PHOTOS (Additional photos available upon request)



Photo 1. Jualin adit.



Photo 2. Comet development pile.



Photo 3. Pond-1.



Photo 4. Pond-2.



Photo 5. The test rock used for monitoring the precipitation of white material.



Photo 6. White material observed in the creek bed.



Photo 7. The new powerhouse station with four 4.0 MW generators.



Photo 8. The old decommissioned generators.



Photo 9. The assay laboratory.



Photo 10. The Kensington Development Pile.



Photo 11. Waste rock from the Kensington development pile is being deposited at Pit 4.



Photo 12. The TTF tailings deposit barge is now located in the NW TTF area.



Photo 13. The microfiltration system.



Photo 14. The reverse osmosis system.



Photo 15. The TTF water treatment plant.



Photo 16. Coeur Alaska's fuel depot.



Photo 17. The refueling pad at the fuel depot.



Thanks to Kensington Mine for a safe visit.
U.S. Forest Service Officer: /s/ Richard Dudek

